Information Request TEC-3-16

Referring to Mr. Salamone's Rebuttal Testimony at p. 10, line 14, please describe in detail all instances to Mr. Salamone's personal knowledge when a DG customer in the NSTAR system has sold "fuel at a large profit."

Response

Please see the response to Information Request TEC-3-2. In addition, Mr. Salamone notes that the same issue has arisen with respect to large-scale gas-fired generation.

The following excerpt was recently reported in an internal NSTAR newsletter concerning FERC's determination that generation owners have in fact sold gas in lieu of producing electricity:

> **FERC FINDS PLANTS DID SELL GAS FOR PROFITS** – The Federal Energy Regulatory Commission released investigation findings last week that show some of New England's natural-gas power plants shut down during a January cold snap and sold their gas for profits. But the initial findings did not say whether plant operators manipulated their bids in the region's electricity markets to profit from natural gas sales. Concerns over a possible power shortage prompted warnings of possible blackouts during the snap. According to Connecticut Attorney General Blumenthal, "New England lost a significant part of its electric capacity because profits were higher from selling the gas than producing the electricity, and consumers were put in dire fear of losing their electricity." (**Hartford Courant**, April 2)

Information Request TEC-3-21

On page 3, lines 3-4, of his Rebuttal Testimony, Mr. Salamone states that "investments made on behalf of standby customers are fixed and unavoidable." Does Mr. Salamone think that distribution investment on behalf of a non-DG customer with identical load characteristics is also fixed and avoidable? If no, please explain.

Response

Yes, the costs for a customer without self-generation are similarly fixed and unavoidable to meet capacity and reliability requirements.